

MEMORANDUM

TO: GOVERNOR EARLY
FROM: RON SOLIMON
DATE: JANUARY 16, 1981
RE: ANACONDA MEETING ON 1/16/81

Confidential Claim Retracted

Authorized by: SC

Date: 4/25/13

Mr. Lynn advised our Pueblo representative that Mr. Jerry Bathke is not the person that would make any decisions with respect to the reclamation plans or any major decisions at any time. He is more of a mediator and reports to an individual by the name of Jim Gibson who is his immediate supervisor at the Los Angeles office of ARCO. Mr. Gibson, in turn, reports to Mr. Don Hendrickson who is the Director of Governmental Relations also at the Los Angeles office of ARCO. Mr. Hendrickson then reports to a senior vice-president in ARCO at the Denver office.

In response to our questions concerning Floyd's dealings with ARCO and Anaconda, Mr. Lynn responded that Floyd dealt only with other Indians and not specifically with operation related circumstances or situations. Mr. Lynn emphasized that this was his assumption and he did not have a direct line on that relationship that Floyd had with the company. He advised that all he knew was that Floyd was hired as a consultant and that he had no reason to think otherwise. He further advised that perhaps Mr. Bathke and Mr. Correa operated on a conflicting type of relationship in the past and that perhaps that they are operating on the same level at this time. He further advised that neither Mr. Bathke nor Floyd works for Mr. Lynn. Mr. Lynn further guestimated that Floyd's role was that of establishing or coordinating working relationships between a tribe and one of the ARCO subsidiaries.

Mr. Lynn advised that any meetings that were held between Mr. Bathke and the higher-ups in Denver were focused on reclamation. Bill Gray apparently heads up the special group to deal with the environmental impact statement situation. Mr. Bathke is on this committee. Chris Sanchez from the Jackpile operations is also a part of this group. Note: Decision making will be done by the Grants and Denver offices. Major decisions will be made at the LA office.

Mr. Lynn emphasized that in the recent past the communications between the Pueblo of Laguna and Anaconda have been poor.

1. NJ-45 and P-13 - A question was posed by Governor Early with respect to whether or not Anaconda intended to go forward with these two mining projects. Mr. Lynn responded that the depressing market had gotten the company up-tight. He stated that the company was selling to APS at approximately \$29 to \$30 per pound. Anaconda's contract with APS is through the year 1987. There are 4 to 5 companies in the group that APS represents. We have a copy of the contracts as stated by Mr. Lynn. They (APS) have the option to curtail by 13%. They have



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taken that option. Furthermore, in 1982, they have the option to drop by another 23% to 24%. In 1983, they have the option to drop entirely out of the contract.

2. P-10 - The Governor via letter had previously proposed to Mr. Lynn that somehow higher participation in the employment force was needed on the part of the Pueblo of Laguna members. Our participation is now at about 30%. The union contract would prevent us from doing this, i.e., shut down one day and start up with an all Laguna work force. All employees will have a right to be recalled within one year of their termination. Note: Last year the Anaconda Company experienced about a \$10 million loss as per Mr. Lynn's advise to the Laguna representatives. Note: P-15 is right next to P-10. It is in the area of the shop. Dale Jones has all maps and could better describe the demographic area.

Their conclusion is that the P-10 underground mining area will be earlier than projected. If we don't bring in NJ-45 and P-13, then the closure of P-10 will come a lot sooner. Anaconda is anticipating that the closure will occur in or about October of this year without the other two operations coming on line.

Recall is going to be based on seniority and qualification factors. After one year, we will not be stuck with the terms of the union contract. We would then be able to hire back whom we wish to hire.

3. Anaconda has constructed a yard for the portals of NJ-45. They estimate the reserves in that area to be in the neighborhood of 300,000 tons. They have constructed a patio on the west side of Gavilan Mesa.

Governor Early suggested that Monday, January 26, would be a good council meeting time for Anaconda to present their request with respect to the future or planned underground operations. Governor Early showed Mr. Lynn the latest from the USGS.

4. Anaconda will start another class in the H1 area. They anticipate a very large class. The normal class size has been made up of 12 people. There apparently has been issued a letter of clearance to proceed with the training program. Anaconda indicated that the limiting factors are space and instructors. They advised that they would probably pull _____ employees to be instructors in the program. They indicated that a class of 24 to 36 would be a very large class and might be the maximum number that they could accomodate.

5. Contracts - The APS contract is through 1987 with an option to drop out in 1983. The GPU contract is almost entirely fulfilled with another 250,000 pounds remaining to be delivered because of past force _____ circumstances that they encountered. Otherwise, Anaconda is through and has fulfilled all its low price contract. Note: I asked specifically whether or not Anaconda has explored the possibility of joint marketing along with the Pueblo.

Mr. Lynn thought this would be a good idea but that a letter would need to be issued probably first to him suggesting joint marketing and that this request would eventually reach Mr. Cox who is in charge of the marketing operations. Note: Jim Morrison is now in LA and Jim Marvin has now taken Mr. Morrison's place as the president of Anaconda Copper. Note: Those operations under Mr. Ralph Cox are ARCO Coal, Anaconda Copper and Anaconda Industries.

6. February 28, 1981, deadline. - Mr. Lynn expressed his concern over their ability to predict the attitude and responses of the Anaconda employees that are to be laid off. He anticipates that approximately 60 Lagunas will have the option to go to the Bluewater Mill operations. Layoffs will include the underground operation, the mill operation and the open pit operation. Approximately 272 people in total will be laid off at the end of February. The original 400+ number has been diminished by the early _____ program takers. Part of the 272 number includes the underground mill operations. 203 Indians are scheduled for termination. 52 Spanish Americans are scheduled for termination. 16 Caucasians are scheduled for termination. 1 other is scheduled for termination.

Query: At what pay scale would the 60 people who would transfer to the Bluewater operation come in at? Answer: The pay scale would be governed by the union contract. By and large people who are transferring will experience a pay cut. Mr. Lynn advised that we should sit down with Mr. Bob Williams to see how Anaconda arrived at the seniority list. He advised that the process was basically a mechanical process. I indicated that any kind of contact with Mr. Williams on the part of any Pueblo representatives should not be construed to be consent in any way, form or fashion to the personnel system that was set up for dealing with the termination or transfer of Pueblo of Laguna employees. Mr. Lynn indicated that they have cards on everybody that accurately describe their qualifications. We requested a computer run or other type of list that would be provided to the Pueblo within a relatively short period of time that would assist us in our manpower inventory.

Query: Has Anaconda certified any of its employees? Answer: Anaconda would be happy to certify any employees that would be certifiable as per any kind of licensing or certification requirements that exist and apply to Anaconda. There will be mandatory training provided the 60 people that might transfer to the Bluewater Mill site. MSHA "Task Training" is required by law. Anaconda indicated that if they didn't comply with this that any one of them would be subject to punishment under federal law. In resolving differences or disputes between and employee and Anaconda as per his seniority rating or listing, Anaconda would approach the union before they would approach the employee. Note: Anaconda will provide us with the skills inventory list. We requested that list today.

7. The question was posed concerning the continuation of the summer internship program by Mr. Sarracino. Mr. Lynn responded that they couldn't do this again because of the union contract constraints. He further indicated that they no longer have the flexibility to entertain this type of program.

8. Salaried people do not have the benefits of the union contract. They also do not have bid rights.

9. In order to break the union contract, we would have to go through a de-certification election. This is a federally prescribed and controlled election. The Nation Labor Relations Board has jurisdiction over this type of election which is basically a recall type situation.

10. Under the Reclamation plan, all housing currently on the leased area will be destroyed, but this again is a negotiable item. Anaconda also intends under the proposed Reclamation plan to take out the railroad spur. We should all recognize that all these items are negotiable as far as negotiations go on the Reclamation plan. Note: EPA did not adopt the RECRA regulations which were passed in April of last year. Anaconda has used the EPA regulations as guidelines in the preparation of the Reclamation plan.

11. Water Development - Ernie Wiley of the Anaconda Company would have all the current information on water development requests made by the Pueblo. Any request made for information on the part of the Pueblo would have to be made and accomplished before February 28, 1981, because Mr. Wiley is also terminating from the company. Mr. John Sharp of Reno, Nevada, is the spearhead for the water study that was undertaken by the Anaconda Company. Approximately 10 to 15 monitoring wells were drilled as part of the study. The study will go to the USGS initially and we anticipate that the USGS will furnish the Pueblo with a copy. The scope of the study includes the entire leased area and extends into the Paguate area. Another study is being accomplished on the Mesita Reservoir problems with respect to silting, radioactivity, etc. The study will also go to the USGS initially and a copy will be forwarded to the Pueblo of Laguna.

12. A meeting has been scheduled with Mr. Nordhaus on January 19, 1981, at his office at 2:00 pm concerning State Road 279. Anaconda has realigned State Road 279 along the old road alignment. There are approximately 150 feet of flat right-of-way. Anaconda is filling back the Rabbit Ears area. This is in the path of the proposed reroute B. The rout B plans are completed and would be made available to the Pueblo upon request. The project is ready for bids.

13. Information requested by Mr. Grote will be forthcoming. Earl Arlin is working on this at the present time. .04 - .06 - .07 mineralization exists close to the Sohio operation in the northeast side of the leased area.

14. The Crackpot mines will be reclaimed. Anaconda advised that USGS had no authority to regulate this reclamation effort.

15. The Entrada mine will also be reclaimed according to EPA standards.

16. Anaconda advised the Pueblo that two areas on the reservation ought to be studied and they were: the Cubero area and the north and south Garcia areas. Both of these areas are outside of the Anaconda leased area.

17. An awards banquet for Anaconda employees is scheduled sometime before February 28, 1981, and Anaconda requested use of the Laguna Community Center for that function.

18. Governor Early expressed some concern over the action of the security guard, Robert George. Mr. Lynn expressed that stories surrounding his actions and activities are conflicting. With respect to the theft of scrap from the underground operations, the tribal member who had them in his possession apparently voluntarily gave them over to Mr. George. Other incidents - theft of the geodetic reading devices which determine the strength of the shock waves attendant to a blast has been resolved with the result being the return of said equipment; theft of gas from an Anaconda four-wheel drive truck -that incident has apparently been resolved with the termination of the employee involved. Overall, Anaconda, pursuant to instructions from the Pueblo of Laguna former Governor Floyd Correa, has firmed up security at the mine. This has caused some consternation among Anaconda employees at the Jackpile operation.

19. Unexcused absences from work are still the major cause of terminations from the Jackpile operation. A foreman cannot fire an employee. Bob Williams reviews the paperwork with the employee, the foreman, and supervisor prior to any decision with respect to termination.

20. Mr. Lynn expressed some concern over the impact of an EIS on the proposed rerouting of State Road 279. Anaconda is concerned with possibly having to redo certain work already accomplished on State Road 279 in the event of a work stoppage. Anaconda is looking for certain assurances with respect to work that they may perform on the rerouting of the road. Anaconda doesn't think an EIS is in the Pueblo's best interests. Specifically, Mr. Lynn requested the suspension of work on the EIS because he felt that it would cause a gross disbanding of the mining operation. Mr. Lynn advised that we lose control over the time that people would be laid off. Mr. Lynn advised that we discuss the legal requirements for an EIS with Mr. Nordhaus and Cullen Howard. The Pueblo of Laguna advised Mr. Lynn that time was now of the essence if Anaconda intended to persuade us to pursue the suspension of the work on the Environmental Impact Statement. We will discuss this at the Monday meeting with Mr. Nordhaus.